

# Gov. Walker: Komatsu Mining Corp. to build \$285 million headquarters and manufacturing facility in Milwaukee

Posted on Thursday, Sep 27, 2018

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

*Governor Walker joins company officials in announcing plans for 2.5-million-square foot campus in Milwaukee Harbor District*

**MILWAUKEE** - Governor Scott Walker joined officials with Komatsu Mining Corp. today to announce the company's plans to build a new state-of-the-art headquarters and manufacturing campus in Milwaukee - a project with the potential to create more than 400 jobs. "With a 134-year history in Milwaukee, Komatsu is one of Wisconsin's oldest employers, and we thank the company for making a long-term commitment to our state with this significant investment, which will position Komatsu for continued growth," Governor Walker said. "We are pleased to be able to add Komatsu to the growing list of longtime Wisconsin companies that have decided to grow here because of the state's strong business climate and dedicated workforce."

"This is a win for the city, the state, our employees, customers and the community. Together we are investing in Milwaukee's future as a manufacturing stronghold and valued employer," said John Koetz, President - Surface Mining at Komatsu Mining Corp. "We are preserving existing jobs, laying the groundwork for new employment opportunities, investing in the workforce of tomorrow, and helping attract talent to the area. Milwaukee is a great place for manufacturing. We are proud of our history here and excited to start building our future."

Komatsu intends to build a new corporate headquarters and manufacturing and training facilities at the former Solvay Coke site along the Milwaukee riverfront on Greenfield Avenue. The 54-acre site, to be called the South Harbor Campus, is near the location of the company's original machine shop off South First Street.

The planned campus would include about 170,000 square feet of office space, a 20,000-square-foot museum and training building, and 410,000 square feet of manufacturing space, consolidating two of Komatsu's current Milwaukee-area facilities into a central location. The project is expected to be completed in 2022.

Plans call for advanced machine, heat treat and fabrication shops; state-of-the-art technology, research and development, and robotics labs; an office complex and data solutions center; a global training and conference center; and a City of Milwaukee public riverwalk adjacent to the campus.

The Wisconsin Economic Development Corporation (WEDC) and Komatsu have reached a substantive agreement that would provide the company with \$59.5 million in state income tax credits over the next 12 years. WEDC's Board of Directors has approved the terms of the contract, which is expected to be executed in the near future.

The company can earn the state tax credits based upon the number of jobs created and retained, the amount of capital investment it makes, and the amount it spends on purchasing equipment, goods and services from Wisconsin-based companies during that period.

The tax credits are performance-based, which means the company must create and retain the jobs, make the capital investment and the supply chain purchases - and provide documentation that it has done so - before it receives any tax credits.

"The impact of this project goes well beyond the city of Milwaukee and the region as Komatsu purchases goods and services from suppliers all over the state," said WEDC Secretary and CEO Mark R. Hogan. "In 2017 alone, Komatsu purchased more than \$150 million in goods and services from Wisconsin companies, which helped support jobs throughout the state."

In addition to the 443 jobs the project could create, an economic modeling study estimates the project could indirectly generate 821 additional jobs in the region. In addition, the company's capital investment could directly and indirectly support more than 3,500 jobs.

The project has been a collaborative effort between WEDC, the City of Milwaukee and the Milwaukee Development Corporation (an affiliate of the Metropolitan Milwaukee Association of Commerce). Although not yet finalized, the City of Milwaukee is expected to potentially provide up to \$25 million of assistance to the company, depending upon level of employment at the site, from a developer-financed Tax Incremental District. "Manufacturing is a fundamental part of Milwaukee's economic history. Komatsu has embraced that history, and the company will help define Milwaukee's manufacturing future," said Milwaukee Mayor Tom Barrett, who also took part in Thursday's announcement. "By choosing to grow in Milwaukee, Komatsu is affirming that this city is a great place for manufacturers to do business."

"We're delighted that Komatsu is making this significant investment in Milwaukee's Harbor District," said Gale Klappa, co-chair of Milwaukee 7, and chairman and CEO of WEC Energy Group. "Komatsu's historic decision to grow here—with this major manufacturing and office development—highlights the attractiveness of our region to global companies and the remarkable asset we have in our workforce."

Headquartered in Milwaukee, Komatsu Mining Corp. is part of the global Komatsu family of companies, indispensable partners to the mining, forestry, industrial and construction industries. Komatsu Mining Corp. is home to the industry-leading P&H, Joy and Montabert equipment and service brands for mining and related industries. The company's history in Milwaukee dates back to the origin of the P&H brand in 1884.